



**Liffe to ICE Futures Europe
Transition Notice**

September 2014

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1. Introduction

The purpose of this document is to describe the main operational, trading, and compliance matters Members must be aware of in advance of the transition of Liffe Contracts to ICE Futures Europe (“IFEU” or “the Exchange”). Whilst the changes in the Exchange Regulations required to support the trading of migrating Liffe Contracts were not significant, there are some differences which are important for Members to take on board and factor into their compliance monitoring and operations.

The focus in this document will be on the following topics:

1. Trading Hours
2. Fees
3. Order types
4. Opening match process and matching algorithm
5. No-cancellation Ranges, Reasonability Levels, Interval Price Limits
6. Trade adjustment and cancellation policy
7. Pre-execution communications and Crossing functionality
8. Block Trades
9. EFP, EFS, Soft Commodity EFRP and basis trades
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18. Position Transfers
19. Order slips and records of trades – including regulatory FIX tags.
20. Self-trade prevention facility
21. ICE EMIR Delegated Reporting

Further information on what will be required of Members following each transition date is set out below and in the attached. Relevant links and additional website resources are also provided.

The information will apply to all Liffe contracts transitioning to IFEU at each transition date, unless specified otherwise. Where details relating to Contracts transitioning at later dates are not provided, the Exchange will notify the market in a separate and updated Circular(s).

Please be advised that in accordance with Rule ZZZ.7.1, all notices and info-flashes issued by Liffe concerning any Financial and Soft Commodity Contracts will continue to apply to those contracts as they transition to the Exchange until further notice by the Exchange save as set out in any conflicting Rule or Circular.

As a reminder, Liffe Contracts will migrate to the Exchange in five tranches, as follows:

29 September 2014 - Soft Commodity Contracts:

- London Cocoa Futures and Options
- Robusta Coffee Futures and Options
- White Sugar Futures and Options
- UK Feed Wheat Futures and Options

06 October 2014 - Fixed Income Contracts, Part 1:

- Three Month Euroswiss Futures and Options
- One Month Eonia Futures
- Short and Medium Gilt Futures

- Short, Medium, Long and Ultra Long Bund Futures
- Short, Medium and Long BTP Futures
- Short, Medium and Long Bonos Futures
- Medium and Long Swiss Confederation Futures
- Euro Swapnote® Futures – Two, Five, Ten and Thirty Year
- Euro Swapnote® Options – Two, Five and Ten Year
- Sterling Swapnote® Futures - Two, Five, Ten and Thirty Year
- U.S. Dollar Swapnote® Futures - Two, Five, Ten and Thirty Year
- Swiss Franc Swapnote® Futures - Two, Five and Ten Year

20 October 2014 - Fixed Income Contracts, Part 2:

- Three Month Sterling Futures and Options
- Three Month Sterling One, Two, Three and Four Year Mid-curve Options
- Long Gilt Futures and Options
- Ultra Long Gilt Futures

03 November 2014 - Fixed Income Contracts, Part 3:

- Three Month Eonia Swap Index Futures
- Three Month Euro (Euribor) Futures and Options
- Three Month Euro (Euribor) One, Two, Three and Four Year Mid-curve Options
- Euribor/Eonia Intercommodity Spread

17 November 2014 - Equity Contracts:

- Index Futures and Options
- Universal Stock Futures
- Dividend Adjusted Single Stock Futures
- Individual Equity Options

Members are also reminded of the Circular 14/102 dated 5 September 2014 <https://www.theice.com/publicdocs/circulars/14102.pdf> which provided an additional update on the transition and a reminder of previously issued changes to the Regulations.

Market Resources

Information relating to ICE Futures Europe, including product codes, trading hours etc. can be found at <https://www.theice.com/futures-europe>

Reports relating to all Exchange products on settlement prices, Open Interest, daily or historical figures, stock figures can be found in the Report Center <https://www.theice.com/marketdata/reports>

For current policies and procedures etc. relating to IFEU trading and compliance matters please visit the Market Resources page <https://www.theice.com/futures-europe/market-resources>.

Announcements relating to Membership, Trading, Rules and procedures are all announced by Circular. These can be found at <https://www.theice.com/futures-europe/circulars>

Firms can receive email updates from ICE by entering their details on <https://www.theice.com/Subscription.shtml>

The IFEU Regulations are available at <https://www.theice.com/futures-europe/regulation>

Contact Details

Any additional questions/queries in relation to regulatory and compliance matter set out in this notice can be directed to the IFEU compliance department on:

+44 (0)20 7065 7797 compliance-europe@theice.com

For questions on trading hours, No-cancellation Ranges, IPLs and reasonability limits, please contact Market Supervision:

+44 (0)20 7382 8200 MarketSupervision-Europe@theice.com

2. Trading Hours

UK Time	Pre-Open	Open	Close
London Cocoa Futures & Options	06:03	09:30	16:50
Robusta Coffee Futures & Options	06:03	09:00	17:30
White Sugar Futures & Options	06:03	08:45	17:55
UK Feed Wheat Futures & Options	06:03	09:25	17:28

3. Fees

Post-migration fees in respect of Soft Commodity Contracts were published in Liffe Notice No. 3857, issued on 27 August 2014

<https://globalderivatives.nyx.com/sites/globalderivatives.nyx.com/files/lon3857.pdf>.

The fee for the ICE Futures U.S. Sugar 11/ICE Futures Europe White Sugar Arbitrage Block trade will be the same as the fee for screen trades £0.53.

Fees in respect of other migrating Liffe Contracts will be published in due course.

4. Order Types

Market orders

Market orders are executed at the best price or prices available in the order book at the time the order is received by the ICE Platform until the order has been filled in its entirety. However, a market order will not trade outside of the No Cancellation Range. Any residual volume from an incomplete market order is cancelled. Market orders are rejected if the market is not open.

Limit orders

Limit orders are orders to buy or sell a stated quantity at a specified price, or at a better price, if obtainable. Unless otherwise specified, any residual volume from an incomplete limit order is retained in the central order book until the end of the day (unless it is a GTC order, it is withdrawn or executed).

Calendar Spread orders

Calendar Spread orders are orders to purchase one (1) or more Exchange Futures Contracts and sell an equal number of Exchange Futures Contracts in a different expiry / delivery month of the same Contract at a stated price difference. Calendar Spread orders may either trade against other matching Calendar Spread orders or may be traded against outright contracts. When traded against outright contracts, the outright contract prices are always used for each of the legs of the Calendar Spread order. When traded against another Calendar Spread order, the prices of the legs of such Transactions will be generated by a Calendar Spread algorithm determined by the Exchange.

The calendar spread quote convention on the ICE Platform shall be as follows: a buy order is defined as purchasing the near month and selling the far month, and a sell order is defined as a selling the near month and purchasing the far month.

Reserve Quantity Orders

An ICE Platform order may specify a maximum disclosure volume to be shown to the market for an order enabling the order to be released gradually without revealing the full size. The unrevealed part of the order is released only when the first part of such order is completely filled. When each portion of the order is released, it is placed in its entirety at the end of the order priority queue.

Good 'Til Cancelled Orders

Good 'Til Cancelled ("GTC") orders are orders to buy or sell a stated quantity at a stated price which remain active in ICE Platform until such orders are either executed, cancelled by the trader or automatically cancelled at the Contract's expiration. GTC orders may be submitted for those Contracts as determined by the Exchange.

User Defined Strategies ("UDS")/Request for Quote Functionality ("RFQ")

UDS functionality allows participants to create specific options and options/futures strategies that consist of multiple legs. Upon creation of a new UDS, UDS messages are broadcast to the market to indicate an interest in a specific strategy. UDS will support any trading strategy, including ratio spreads, as well as hedged options (delta hedged) with the underlying futures contract. UDS will support up to 9 legs and 2 hedged legs. UDS strategies must be recreated in the platform each day as they do not persist from one trading day to the next.

RFQ capability allows participants to send a message to the ICE trading system to indicate an interest in a specific product (i.e., a single option call or put strike) or a UDS. The RFQ message allows participants to indicate they are interested in trading a specific market. Once the RFQ is published in the electronic trading platform, traders can respond by entering a bid and/or offer, and such bids and offers are immediately tradable. RFQ capability will not support futures-only markets (either single-leg or spread markets) at this time.

5. Opening Match Process and Matching Algorithm for Soft Commodity Futures and Options Contracts

Prior to the start of each daily trading session for a contract there is a Pre-Trading Session during which only Limit orders may be entered; GTC orders from prior trading days on ICE Futures Europe can also be amended or cancelled during this session. GTC orders that were previously entered on the NYSE Liffe matching engine will be cancelled following close of trading on trade date September 26 2014. Members will have to reinstate such orders when the trading session opens on ICE Futures Europe.

From trade date September 29, 2014, immediately after the termination of the Pre-Trading Session and prior to the Open of trading for a product the Opening Match process occurs. During the Opening

Match, all limit orders may be matched, as appropriate, resulting in executed trades at the Opening Match price. The price level and quantity of contracts traded during the Opening Match are determined by an Uncrossing Algorithm as determined by the Exchange; all orders that are traded (whether fully or partially) as part of the Uncrossing Algorithm trade at the same trade price. No new order may be submitted during the Opening Match.

During the trading session a Price/Time Matching Algorithm will be used which matches orders on the basis of a price and time priority algorithm. The “best” price order always has the highest priority; for buy orders that means those orders that have the highest price, and for sell orders that means those orders that have the lowest price. If more than one order is in the market at a specific price, the highest priority is given to the order that arrived in the electronic trading system first.

6. No-cancellation Ranges, Reasonability Levels, Interval Price Limits

Below are the relevant NCR ranges, reasonability levels and IPLs for the Soft Commodity Futures and Options Contracts. Details on the fixed income and equity products will be issued in due course.

Futures

No Cancellation Ranges	
London Cocoa Futures	£25.00
Robusta Coffee Futures	\$20.00
White Sugar Futures	\$5.00
UK Feed Wheat Futures	£2.50

Reasonability Levels	
London Cocoa Futures	£25.00
Robusta Coffee Futures	\$20.00
White Sugar Futures	\$5.00
UK Feed Wheat Futures	£2.50

Pre-Open Reasonability Levels	
London Cocoa Futures	£50.00
Robusta Coffee Futures	\$40.00
White Sugar Futures	\$10.00
UK Feed Wheat Futures	£5.00

Pre-Open Reasonability Limits will be set prior to the market opening and will revert to the normal settings shortly after the open.

Options

London Cocoa (£/MT)		
Theoretical value	NCR	Reasonability Level
0-20	8	24
20-200	13	39
200-500	15	45
500+	15	45

Robusta Coffee (\$/MT)		
Theoretical value	NCR	Reasonability Level
0-20	5	15
20-200	8	24
200-500	15	45
500+	20	60

White Sugar (\$/MT)		
Theoretical value	NCR	Reasonability Level
0-1.00	1.25	3.75
1.05-10.00	2.00	6.00
10.05-25.00	2.50	7.50
25.00+	3.00	9.00

UK Feed Wheat (£/MT)		
Theoretical value	NCR	Reasonability Level
0-1.00	0.50	1.50
1.05-10.00	0.75	2.25
10.05-25.00	1.00	3.00
25.00+	1.25	3.75

A complete list of all ICE No Cancellation Ranges and Reasonability Limits can be found at: https://www.theice.com/publicdocs/futures/No_Cancellation_Ranges.pdf

Interval Price Limits

Interval Price Limits (IPL) provide functionality to limit large price movements from occurring within a given time frame. For each contract there will be a set limit, the IPL, to which prices can move within a set time frame known as the re-calculation time. If a bid or offer attempts to breach the IPL the market will enter a hold period preventing any further trading beyond the limit until the end of the hold period. Trading can still continue during the hold period within the upper and lower parameters of the IPL. At the end of the hold period new parameters are set based on the prevailing market prices. IPL parameters for the new ICE contracts are as follows:

	Interval Price Limit	IPL Recalculation	IPL Hold
London Cocoa Futures	£50.00	3 Seconds	15 Seconds
Robusta Coffee Futures	\$50.00	3 Seconds	15 Seconds
White Sugar Futures	\$7.50	3 Seconds	15 Seconds
UK Feed Wheat Futures	£5.00	3 Seconds	15 Seconds

Full details of IPL functionality can be found at
https://www.theice.com/publicdocs/technology/IPL_Circuit_Breaker.pdf

7. Trade Adjustment and cancellation policy

Members are advised that transactions determined by the Exchange to be at an unrepresentative price will be adjusted to a trade price that the Market Supervision Official evaluates as fair market value at the time of execution, plus or minus the No Cancellation Range (NCR) for that contract. In the event that there are a significant number of counterparties, transactions or contracts associated with the error trade, or any other factor deemed relevant by the Exchange, the Market Supervision Official has the authority to cancel trades rather than adjust prices. The decision of the Market Supervision Official is final.

The Price Adjust facility is a cancellation of the original deal and the creation of a new deal with all information retained except for a new deal id, trade price and reference to the cancelled deal. Any trades that are associated with a deal that is adjusted will also have a new deal created with the original deal cancelled.

The Trade Adjustment and Cancellation policy can be found on the ICE Website at;
https://www.theice.com/publicdocs/futures/Trade_Adjustment_Policy.pdf

8. Pre-execution communications and Crossing functionality

From a trading perspective, the main change contained in the Regulations published in Circular 14/097 is in relation to the Rules governing cross transactions (please see Rules G.4 and G.6A).

Members and their representatives may engage in pre-execution communications when soliciting business on behalf of customers, provided that the conditions below are adhered to:

1. Members must ensure that they have received the consent of the person they are acting on behalf of, i.e. the customer, before engaging in pre-execution communications. Records evidencing that such consent was obtained should be available for production upon request of the Exchange.
2. Participants must ensure that market conduct rules are complied with and ensure all information obtained during pre-execution communications is not taken advantage of.
3. Information is maintained as confidential and not disclosed to other parties.
4. Matching business arising from pre-execution communications must be executed using the crossing method designated for that contract or group of contracts i.e. the Order Book method, the Guaranteed Cross method or the Crossing Order method. These methods are set out in more detail below.

When engaging in pre-execution communications and soliciting business on behalf of customers, Members must also bear in mind the requirements relating to orders given on a not held basis, withholding of orders and disclosure in Rules G.5 and G.8.

Crossing Methods

1. Matching business may be submitted to the ICE Platform as a Cross Trade using three different methods, the details of which will follow. Below is a table outlining which method must be used for each Contract or group of Contracts.

Order Book Method	Guaranteed Cross method	Crossing Order method
ICE Gasoil Futures (G)	Euro (EURIBOR) Options	Bonds (Excl Long Gilt Options)
ICE Low Sulphur Gasoil (ULS)	Euro (EURIBOR) Mid-Curve Options	Soft Commodities
ICE Heating Oil Futures (O)	Short Sterling Options	STIRS (excl options)
ICE Brent Futures (B)	Short Sterling Options Mid-Curve Options	Swapnote® Contracts
ICE Brent NX Futures (BNX)	Euroswiss Options	Equity Indices
ICE WTI Futures (T)	Long Gilt Options	Individual Equities
Electricity		All Crude Oil & Refined products (except those listed under the Order Book method)
ICE NYH (RBOB) Gasoline Futures (N)		Eurodollar
ICE UK Natural Gas Futures		GCF Repo Index ® Futures
Emissions		Liquified Natural Gas
Coal		Natural Gas Liquids
		Petrochemicals
		Freight

2. The three crossing methods are:

- i. Order Book method – a method by which matching business is entered into the order book as two separate orders.
- ii. Guaranteed Cross method – a method by which matching orders submitted as a Cross Trade in STIR options (as outlined in the table below) and Long Gilt options only, do not interact with orders in the order book, but whose price is constrained by the prices of such orders. Minimum volume thresholds shall apply where the price is at the best bid or offer (which is only permissible when the bid/offer spread is at the minimum price movement for the Contract concerned, i.e. it is at “one tick”). These thresholds are set out in the Guidance which can be found https://www.theice.com/publicdocs/futures/ICE_Pre_Execution_Communications_and_Crossing.pdf
 - a) Participants with matching business in these Contracts will observe little change in how their trades are executed. From the transition date, no other method shall be made available, or shall be used, where Members have matching business in these Contracts.
- iii. Crossing Order method – a method by which matching business is entered into the order book as a single order containing a matching bid and offer.
 - a) Participants with matching business in any Contract transitioning from Liffe to IFEU (except for the STIR and Long Gilt Options) will be required to use this method to enter the matching business. Please note that participants with matching business in Eurodollar and GCF Repo Index® Contracts will also be required to use this method. **This is a change to what is required currently.**
 - b) The Crossing Order method utilises functionality built into the ICE Platform to enable users to submit matching business (“the Crossing Order”) in one message. The functionality will generate an automatic RFQ to the market to solicit bids and offers for the relevant Contract, and will build in the required time periods the RFQ will be exposed to the marketplace before the Crossing Order is activated and evaluated against other orders in the order book.
 - c) If the Crossing Order price improves the best bid and the best offer in the order book or if there is no bid/offer, 100% of the Crossing Order quantity will match at the Crossing Order price immediately upon activation. If the Crossing Order price improves the best bid but there is a better offer or offers, the buy side of the Crossing Order will be executed first against such better offer or offers and then subsequently against the sell side of the Crossing Order if any residual quantity on the buy side remains. Similarly if the Crossing Order price improves the best offer but there is a better bid or bids, the sell side of the Crossing Order will be executed first against such better bid or bids and then subsequently against the buy side of the Crossing

Order if any residual quantity on the sell side remains. If there are unfilled quantities of the crossing order, the remaining volume will be cancelled by the ICE Platform.

- d) Further details on the functionality and guidance on pre-execution communications and crossing orders can be found in the Guidance.

9. Block Trades

From transition to IFEU, ICE Block will replace existing Liffe wholesale facilities (including Bclear) as the facility through which off order book / wholesale business should be reported to the Exchange. All trades that meet or exceed a specific minimum volume threshold for an outright or strategy trade must then be reported using ICE Block.

Participants should refer to Section F.7 and the Trading Procedures 17 of the Exchange Regulations for the specific rules and procedures that apply when executing Block Trades. In addition, the Exchange publishes Guidance on Block Trading setting out the minimum volume thresholds for outright and strategy trades, reporting times and other requirements. Attached is a link to the ICE Futures Europe Block trade Guidance

https://www.theice.com/publicdocs/futures/ICE_Futures_Block_Trade_Policy.pdf

Members should note the following:

- Block trades in the ICE Futures U.S. Sugar 11 /ICE Futures Europe White Sugar Arbitrage trade (“the Sugar Arbitrage trade”) are now permissible. The minimum volume threshold is 100 lots of the White Sugar Contract, and the details of the ICE Futures U.S. Sugar 11 leg must be provided when reporting the trade to the Exchange.
- No block trading is available in Soft Commodity Contracts, except for the Sugar Arbitrage trade.
- For Short, Medium and Long Term Interest Rate Futures and Options, the minimum volume threshold now applies on an aggregate basis; these are set out in the Guidance document.
- Delayed publication will continue to be available subject to the Block Trades meeting the applicable minimum volume threshold.
- Block Trades in outright contracts must be reported within 5 minutes.
- Block Trades in strategy trades must be reported within 15 minutes.

The process for reporting Block Trades to the Exchange is set out in the Guidance.

10. EFP, EFS, Soft Commodity EFRP and basis trades

Against Actuals will now be referred to Soft Commodity EFPs. No further changes, other than the terminology and how the trades are reported to the Exchange shall be applied.

The Exchange provides a Soft Commodity Facility to allow Members to organise and execute Soft Commodity EFPs, EFS, and EOs (collectively referred to as Soft Commodity EFRPs). Details on the requirements relating to these Soft Commodity EFRPs are set out in Rule F.5C and Trading Procedure 16B.

All Soft Commodity EFRPs must be reported to the Exchange through ICE Block.

Further information on how to report a Soft Commodity EFRP is set out in Exchange Guidance which can be found at https://www.theice.com/publicdocs/IFEU_EFP_EFS_Guidance.pdf

11. Daily Settlement Procedures

Daily Settlements will be calculated in accordance with ICE Futures Trading Procedures 2.4

https://www.theice.com/publicdocs/contractregs/97_XX_TRADING_PROCEDURES.pdf

Designated Settlement Period (UK Time)	
London Cocoa Futures & Options	16:48 – 16:50
Robusta Coffee Futures & Options	17:28 – 17:30
White Sugar Futures & Options	17:53 – 17:55
UK Feed Wheat Futures & Options	17:26 – 17:28

Settlement Volume Threshold

The Settlement Volume Thresholds establish the minimum volume of trades which needs to be completed during the relevant Settlement period for the purposes of calculating prices by means of a trade weighted average calculation. The Settlement Volume Thresholds are set on a contract by contract basis determined by the Exchange.

Settlement Volume Threshold	
London Cocoa Futures	50 Lots
Robusta Coffee Futures	50 Lots
White Sugar Futures	50 Lots
UK Feed Wheat Futures	50 Lots

A complete list of all ICE Futures Europe Settlement Volume Thresholds can be found at:

https://www.theice.com/publicdocs/futures/ICE_Futures_Settlement_Volume_Threshold.pdf

12. Open interest reporting

In accordance with Exchange Rule G.17, Open interest is based on positions held at the close of business on the previous Trading Day and is calculated after a Cut-Off time on the subsequent Trading Day. **This Cut-Off time is the same as was operated at Liffe i.e. 10am (UK time) each day.**

Members must ensure that all settlements and position adjustments are completed by 10am.

The Exchange issued Guidance on the obligations of Members with respect to the reporting of open interest in Circular 12/142 G01. <https://www.theice.com/publicdocs/circulars/12142%20G01.pdf>. These obligations still apply and Members should familiarise themselves with the contents of this Circular and the Rules when managing open positions at the Exchange.

For the weekend of the transitions, Members are advised to check ICE Clear Europe and ICE Futures Europe Circulars and Guidance for any updates about position maintenance. Subject to these circulars and issued guidance, all position maintenance for Soft Commodity Contracts should be done by 10am on Monday 29 September 2014 for trading date Friday 26 September 2014.

Open Interest Publication

Open Interest shall be made available on the ICE Platform following the Cut-off time and is published in the End of Day Report available on the Report Centre - <https://www.theice.com/marketdata/reports>

For Open Interest figures relating to the Liffe business for Friday 26 September 2014, these shall be made available on Monday 29 September 2014 on the Report Centre.

For details on publication of tenders and how this impacts on Open Interest publication, please see Part 13 of this Notice.

13. Deliveries and publication of tenders

The Contract Rules and Procedures relating to ICE Futures Europe London Cocoa, White Sugar, Robusta Coffee and UK Feed Wheat are contained in new sections EEEE-MMMM of the Exchange Regulations. The Grading and Warehousekeeping Procedures in respect of London Cocoa and Robusta Coffee futures Contracts are now contained in the IFEU Rulebook, along with the Grainstorekeeper Procedures in respect of the UK Feed Wheat Futures Contract. These were announced in Circular 14/097 dated 03 September 2014 <https://www.theice.com/futures-europe/circulars>.

With respect to the mechanics and process by which these Contracts are delivered, this will not change on transition. The Contracts will be managed in the same way, and what was previously the Liffe Guardian system, will now be the ICE Guardian system but no other changes will be implemented.

Liffe previously delayed publication of Open Interest in Robusta Coffee and UK Feed Wheat to take into account delivery quantities notified during the Notice Period. ICE Futures Europe will not continue with this process going forward. Open Interest will be published following the Cut-Off time and such delivery quantities will be published separately on the ICE Report Centre.

Reports on Soft Commodity Products, including Tenders will be available in the Report Center: <https://www.theice.com/marketdata/reports>

14. Offsetting positions

Please be advised that it is not permitted to transfer positions from one Member to another if such transfer has the effect of off-setting (closing out) existing open positions. Please see Rule F.8 for more information and Part 19 of this Notice.

Members are also reminded that where clients hold both long and short open positions, they are required to determine whether these should be maintained gross or whether, to what extent, they should be closed out. Members must ensure that positions are managed appropriately and open positions are accurately reflected at the Exchange in accordance with Rule G.17.

Members must offset open positions by trading out in the market; in the case of Options Contracts, exercised or held to expiry; or in the case of Futures Contracts, offset by the exercise of an Option Contract or in the case of Futures Contracts, taken to delivery or cash settlement.

15. Position Management, Reporting and Delivery Limits

Position Reporting

Pursuant to Section P of the Exchange Rules, firms that carry positions for themselves or on behalf of another firm(s) are required to report positions which are over a certain threshold to the Exchange on a daily basis. In addition, firms are required to identify the accounts in which those positions are held, and the person that owns the position. This is no different to what is required under Liffe Rules.

With respect to the Liffe contracts being transitioned to ICE Futures Europe, there shall be no difference to the Reportable Thresholds, Delivery Limits and Accountability Levels that will apply following transition.

The main change with respect to reporting relates to file submission, with all positions in excess of the relevant threshold to be reported in the Large Trader File ("LGTR") to the Exchange. Further details on this file and how it can be submitted to the Exchange are set out below.

Please note that positions in Fixed Income and Equity Contracts will not be subject to daily position reporting on transition.

Access to the ICE Managed File Transfer system (MFT) for reporting

The LGTR is submitted to the Exchange via ICE Managed File Transfer System (MFT).

1. To commence reporting to the Exchange, firms will be required to apply for and obtain a unique alpha numeric reporting firm code from the CFTC (if they do not already have such a code). This code should be a three-digit identifier unique to the Reporting Firm.
2. Reporting firms should contact the Exchange's Compliance department to notify them of the intention to report. This is important, as the Exchange's internal systems will have to be prepared and modified in anticipation of the Reporting Firm sending in positions. Without this notification, positions may not be received by the Exchange Compliance department.
3. Non-Member Reporting Firms will need to request from Exchange Compliance a MFT Access Form. This form should be completed and returned to Exchange Compliance along with a public key. The following details may be useful;
 - a. A MFT LGTR Access Application Form (request from Exchange Compliance). Please note that if the Reporting Firm is also being set up as a Member then ICE Clear Europe Operations may ask them to submit a separate MFT Access Form instead.
 - b. **A Public Key**
A Public Key is a unique IT Security coding which can be used to set up secure access for the Reporting Firm to the Exchange's MFT (Managed File Transfer) System. Reporting Firm staff should consult with their IT staff in respect of obtaining a Public Key.
 - c. The Exchange may request the IP address to be used by the Reporting Firm to connect to the ICE MFT System.

MFT Folder Mnemonics are assigned per Reporting Firm and will be either their ICE member mnemonic, or for non-members, their CFTC Reporting Firm code pre-fixed by 'N'. The Exchange will notify Reporting Firms of their LGTR folder set up and their MFT log-in credentials.

Please note that MFT is a live system and that no false or erroneous positions should be submitted. In the event that an incorrect file has been submitted, or a file contains errors, Reporting Firms will be required to notify the Exchange immediately and submit the corrected file(s).

If Reporting Firms wish to send a LGTR file into the ICE MFT system to check their connectivity, then they should contact Exchange Compliance to seek prior approval. The test file being sent should only have the word "TEST" inside.

If the Reporting Firm wishes to check their LGTR before starting submissions for the first time, then they can contact Exchange Compliance via email and send in a file as .txt attachment (to compliance-europe@theice.com). This file will then be passed to a team at ICE that can review it.

Reporting Requirements and LGTR Format

Upon the first instance an account exceeds the set contract reportable threshold (see below for more details on thresholds), Clearing members and Reporting Firms will be required to send a completed CFTC Form 102 or an ICE Futures Europe identification sheet https://www.theice.com/publicdocs/futures/Account_Identification_Sheet.xls to the Exchange for each reportable account. End of day positions held for ICE Futures Europe Contracts must be electronically reported in the LGTR via the ICE MFT to the Exchange daily. To ensure such positions are reported to the Exchange properly, please consult the following attached documents:

- i. General technical information
https://www.theice.com/publicdocs/futures/Position_Reporting_General_Technical_Information.pdf
- ii. ICE Futures Europe position reporting file format
https://www.theice.com/publicdocs/futures/Position_Reporting_File_Format.pdf
- iii. MFT Technical Guide
https://www.theice.com/publicdocs/futures/MFT_Technical_Guide_Position_Reporting.pdf

Members should note that the reporting file format and firm identification codes are the same as those used by the United States Commodity Futures Trading Commission (CFTC) for their Large Trader Reporting System. More details can be found on the CFTC website <http://www.cftc.gov/IndustryOversight/MarketSurveillance/LargeTraderReportingProgram/ltrformat>

Further guidance on the reporting of option strike prices has been included in the position reporting file format document at the request of Members.

Reportable Thresholds

The Reportable Threshold for transitioning Soft Commodity Contracts (Futures and Options) continues to be 100 lots.

For a complete list of Reportable Thresholds, the table can be found at https://www.theice.com/publicdocs/futures/ICE_Futures_Europe_Threshold.pdf. Updates to this are issued by ICE Futures Europe (“the Exchange”) to Members via circulars and guidance published from time to time.

Please note that Members may over comply with their position (LGTR) reporting by lowering the reportable limits to one lot and reporting all positions accurately.

Exchange Codes and Reporting Times

All reportable positions for the existing ICE Futures Europe Contracts must be reported under Exchange code 41. For the transitioning Soft Commodity Contracts, all positions must be reported under Exchange code **LX**, and LGTRs must be reported daily by 14.00 UK Time on the next subsequent Trading Day (T+1). Multiple files can be submitted by Reporting Firms, e.g. one file for each reportable Exchange code.

Should there be a delay in the submission of the file; Reporting Firms should inform Exchange Compliance in advance of the deadline.

Positions held on the Exchange are required to be reported on all UK Public Holidays on which the Exchange is open for trading.

Position reporting following the transition date

The Liffe Soft Commodity Futures and Options contracts are transitioning over the weekend of Saturday/Sunday 27/28 September 2014 and will commence trading on ICE Futures Europe on Monday 29 September 2014.

Reporting Firms should submit their LGTR files for positions at the close of business of the trading date Friday 26 September 2014 to Liffe by 12:00 (UK Noon) on Monday 29 September 2014 using Liffe's LGTR format. Positions as held at the close of business for the trading date Monday 29 September 2014 should be sent to ICE Futures Europe by 2pm (UK) on Tuesday 30 September 2014 using the 80 character format as set out in this document.

Zero positions or blank files should not be sent to Liffe after the day of the transition (Tuesday 30 September 2014 for close of business Monday 29 September 2014).

Delivery Limits and Accountability Levels for Soft Commodity Contracts migrating from Liffe to ICE Futures Europe

There will be no change to the Delivery Limits and Accountability levels applicable to Soft Commodity Contracts once they transition to ICE Futures Europe. The policy and procedures outlined in Liffe London Notices No.3635 and No.3695 have been incorporated into the ICE Futures Europe Rulebook and Guidance. Whilst optically the Guidance may appear to be different, there is no change to the overall principles and obligations on firms holding positions in these Contracts.

Members should refer to the Guidance for more information on powers of enforcement, exemption requirements and forms and Exchange process which can be found at:

https://www.theice.com/publicdocs/futures/ICE_Position_Management_Regime_Soft_Commodities.pdf

As a reminder the following Accountability Levels, Delivery Limits and Maximum Delivery Limit Exemption Levels will apply:

Soft Commodity Contracts Accountability Levels, Delivery Limits and Maximum Delivery Limit Exemption Levels

Accountability Levels

Contract	Front Delivery Month	Deferred Delivery Month
London Cocoa	7,500 contracts	15,000 contracts
Robusta Coffee	7,500 contracts	15,000 contracts
White Sugar	10,000 contracts	20,000 contracts
UK Feed Wheat	2,000 contracts	4,000 contracts

Delivery Limits

Contract	Delivery Limit
London Cocoa	7,500 contracts
Robusta Coffee	7,500 contracts
White Sugar	10,000 contracts
UK Feed Wheat	2,000 contracts

Maximum Delivery Limit Exemption Levels

Contract	Maximum Delivery Limit Exemption Level
London Cocoa	15,000 contracts
Robusta Coffee	15,000 contracts
White Sugar	15,000 contracts
UK Feed Wheat	4,000 contracts

16. Commitment of Traders report

Liffe currently produces and publishes Commitment of Traders (CoT) reports for Robusta Coffee, London Cocoa, White Sugar and UK Feed Wheat. The publication of this data will continue following the transition, with a number of procedural changes to align this reporting with current IFEU practice:

- i. The classification of Traders will be carried out by IFEU rather than, as previously, by Clearing Members, so as to ensure consistency of classification of the same Trader who has multiple clearing accounts;
- ii. Classification will be based on IFEU methodology which in turn is based on CFTC methodology;
- iii. Positions for Traders which are held and reported by a Clearer in individual accounts will be counted as separate participants rather than one.

The positions used will remain the same (Tuesday), as will the publication day (Monday of the following week). IFEU provides a historical data file that includes prior full years' data and the current year to date. We will continue with this practice but the initial historical file created will use only post-transition CoT data in the light of the slightly different compilation basis.

17. MiFID Transaction Reporting

For firms with an obligation to report transactions under MiFID, the Exchange has been working with the FCA in respect of the MiFID transaction reporting obligations of Members both during and following the migration period.

The dates of the contract migrations involving MiFID reportable instruments (currently equity and debt related instruments) are as follows:

- 6 October 2014: Short & Medium Gilt futures, European Government Bond futures
- 20 October 2014: Long Gilt futures & options, Ultra Long Gilt futures
- 17 November 2014: Equity contracts (single names and indices)

IFEU will provide a market-side only transaction reporting feed to the FCA in the same way as Liffe currently does. Those Members who currently rely on Liffe's feed to the FCA will be automatically able to rely on the IFEU feed.

The migration of the contracts from Liffe to IFEU does not affect the Central Counterparty of trades executed on both Exchanges. The Central Counterparty remains ICE Clear Europe. Therefore the BIC code to be used for the Central Counterparty remains unchanged – ICEUGB2LXXX.

Members are advised that the product codes used currently will continue to be used but that new MIC codes will be used for the contracts once they have migrated to IFEU:

Products	Current MIC	New MIC
ICE Futures Europe- Financial Products: <ul style="list-style-type: none"> • Bond Futures and Options • Equity Index Futures 	XLIF	IFLL
ICE Futures Europe – Equity Products: <ul style="list-style-type: none"> • Equity Index Options, • Individual Equity futures and Options 	XLIF	IFLO

Information relating to the MiFID transaction reporting requirements in respect of trades executed during and following the migration of Liffe Contracts to ICE Futures Europe was announced in the Liffe Info-Flash No. LO14/64 which can be found at

<https://globalderivatives.nyx.com/sites/globalderivatives.nyx.com/files/lo14-64.pdf>

18. Error Correction Facility

Pursuant to Exchange Trading Procedure 8.5, where there has been an error in the execution of a client order, or in the reporting of a trade to a client, the Exchange makes available to the Member an Error Correction facility in order to resolve the error and ensure that the interests of the client are protected.

Requests to correct errors must be submitted to the Exchange using the form attached to the following policy document, which can also be found on the Market resources page: https://www.theice.com/publicdocs/Error_Correction_Policy_Mar_2012.pdf

Details of the error and related order together with the requested error correction must be noted on the error correction declaration form and either: emailed to Compliance-europe@theice.com during UK business hours (8am-6pm); or emailed to ICEHelpdesk@theice.com at all other times.

The correction facility is available to correct errors in the execution of client business, not proprietary business. Authorisation of an error correction is at the absolute discretion of the Exchange, and Members may be required to provide further information as necessary to establish the circumstances of the error.

On receiving both sides of the error cross into their account, the Member must ensure that their client receives the correct trade and that the business is correctly registered in accordance with Exchange Trading Procedure 9.

19. Position Transfer Facility

Pursuant to Rule F.8, Members may only transfer positions in the following instances:

- Positions are being transferred from one Member to another Member at the request of a client;
- Positions are being transferred as a result of a death of the only Member of a firm who held Membership in the Exchange; or
- Positions are being transferred from one account to another account on the books of the same member made at the request of a client where no change in ownership is involved.

It is not permissible to transfer positions in the spot month where it will result in a close out of the position held at the receiving Member.

The circumstances in which a position transfer may or may not be accepted are described in detail in the ICE Futures Europe Regulations, Rule F.8 and the position transfer guidance. The guidance and the position transfer request form can be found here: https://www.theice.com/publicdocs/Position_Transfer_Guidance.pdf.

Members should also consult the ICE Clear Europe Clearing systems documentation for details on the facilities available to input a position transfer.

20. Order slips and records of trades – including regulatory FIX tags.

In accordance with Exchange Rule G.16 and Trading Procedure 3.1, Members must ensure that written order slips/electronic orders and records for electronic orders contain all of the necessary information, including, in the case of FIX users the requirement to populate Regulatory FIX tags. More information on this is provided below.

FIX tag regulatory requirements

This requirement is for all firms currently trading on ICE Futures Europe using FIX and for Liffe participating companies transitioning to the ICE Platform. For further information, the Exchange refers Members to the following Notice in the first instance: https://www.theice.com/publicdocs/futures_us/exchange_notices/Notice%20-%20FIX%20tag%20requirements%20re%20ids%20of%20routing%20trader%202008-07-02.pdf.

Authorised Trader ID and Management system

The Authorized Trader ID (Tag 116 Right) is a regulatory FIX tag that must be populated on all messages. All firms are required to submit this information on each order to the Exchange, and be able to identify the trader it relates to. For business conducted on ICE Futures Europe following the transitions, these Regulatory tags must be populated.

ICE Futures Europe requires certain categories of firms to register the details of the Authorised Trader ID in the Authorised Trader Management System (ATMS). This was originally announced to the market via Circular 12/048: <https://www.theice.com/publicdocs/circulars/12048.pdf>.

The ATMS user guide can be found here: https://www.theice.com/publicdocs/ATMS_user_guide.pdf.

Following transition, the requirement to register the details of the Authorised Trader IDs in the ATMS will be reviewed and any updates to the requirement will be notified to the Market.

21. Self -Trade Prevention Functionality and Policy

ICE makes available Self Trade Prevention Functionality (“STPF”) which can assist participants in preventing violations of the wash trading prohibition set out in Rule E.2.2.A.

For further details please refer to the ICE Futures Europe STPF policy: https://www.theice.com/publicdocs/futures/IFEU_Self_Trade_Prevention_Policy.pdf and FAQ: https://www.theice.com/publicdocs/futures/IFEU_Self_Trade_Prevention_FAQ.pdf.

The implementation of this functionality is currently mandatory for proprietary firms which are accessing the market directly and utilise an algorithmic trade system. Going forward, ICE will review the settings firms transitioning from Liffe have in place. The Exchange therefore requests that firms that meet these criteria contact ICE User Administration to set the level of prevention on iceuseradministration@theice.com

22. ICE EMIR Delegated Reporting Service

ICE Futures Europe offers an EMIR Delegated Reporting Service (“the Service”), as announced in Circular [13/179](#)¹ dated 20 December 2013, to Members of both ICE Futures Europe (“the Exchange”) and ICE Clear Europe (“the Clearing House”) and their customers.² Please note that Clearing Members will automatically be opted-into the Reporting Service. Should Clearing Members not wish to utilise the reporting service, they should contact the Exchange.

The Service has included the reporting of trades and positions³, and has been enhanced to facilitate the reporting of collateral and valuation data, as announced in Circular [14/090](#)⁴ dated 7 August 2014.

Members seeking to opt-in (on their own behalf and/or on behalf of their customers)

¹ <https://www.theice.com/publicdocs/circulars/13179.pdf>.

² Please note the Service has been designed to assist Members and their clients with their trade reporting obligations under Article 9(1) of EMIR. However, ultimate responsibility to comply remains with Members and their clients and they should not rely on the above information and are advised to seek their own independent compliance advice.

³ Positions have been reported where the Exchange has had sufficient information to do so.

⁴ <https://www.theice.com/publicdocs/circulars/14090.pdf>.

To opt-in to the Service, please complete the [opt-in form](#)⁵ and return to the ICE Futures Europe Compliance department on: +44 (0) 207 065 7797, or compliance-europe@theice.com

For further information about the Service, please contact the ICE Futures Europe Compliance department.

Members and their customers that have been utilising the Liffe EMIR Delegated Reporting Service

Members and their customer(s) who have been utilising the Liffe EMIR Delegated Reporting Service, as announced in Liffe Info-Flash No. [LO14/03](#)⁶, issued on 8 January 2014, are advised that at the transition of Liffe contracts to ICE Futures Europe, the ICE EMIR Delegated Reporting Service will continue to report as announced above and no further action will be necessary where firms continue to have the same clearing arrangements and utilise the same Member mnemonics.

⁵ <https://www.theice.com/publicdocs/circulars/13179%20attach.pdf>.

⁶ <https://globalderivatives.nyx.com/sites/globalderivatives.nyx.com/files/lo14-03.pdf>.